

29 - Issue Memo - Regental Scholarship Programs

Thursday, January 29, 2015
12:41 PM

Regental Scholarship Programs

Introduction

At one time, South Dakota was the only state in the union without a state-funded scholarship program or other form of state grant program for higher education. There are now a number of scholarship opportunities that exist for South Dakota high school graduates who are interested in pursuing their postsecondary career in the state.

Much credit must be given to the Board of Regents as most of the information in the following pages was derived from Board of Regents' documents.

Opportunity Scholarship

The Legislature first authorized a state scholarship program in 2003 for South Dakota's most academically accomplished high school graduates to receive an affordable education in the state. This program was initially called the Regents Scholarship Program and it was not funded. In 2004, the Legislature renamed the scholarship the South Dakota Opportunity Scholarship and started funding it from the state of South Dakota's Education Enhancement Trust Fund, beginning with high school graduating classes in 2004.

Students receive up to \$5,000 over the course of their postsecondary career if they meet each of the initial eligibility requirements in this merit-based scholarship program. Students may participate in the Opportunity Scholarship program for the equivalent of four academic years (eight consecutive fall and spring terms), or until attaining a baccalaureate degree. During each academic year, one-half of the annual scholarship award is distributed at the beginning of the fall semester and the other half distributed at the beginning of the spring semester:

- \$1,000 – 1st year of attendance
- \$1,000 – 2nd year of attendance
- \$1,000 – 3rd year of attendance
- \$2,000 – 4th year of attendance

In order to meet the initial eligibility requirements in the Opportunity Scholarship program, a recipient must:

1. Be a resident of South Dakota at the time of high school graduation.
2. Have an ACT composite score of 24 or above or an equivalent score as determined by the Board of Regents on the SAT.
3. Complete course requirements with no final grade below a "C" (2.0 on a 4.0 scale) and a cumulative high school GPA of 2.0 on a 4.0 scale (grade of "B").
4. Effective for those students entering into postsecondary education for the first time on or after August 2013, the curriculum requirements specified in section 3 above are not required for any student, including a home schooled student, who has received a composite score on the ACT of at least 28 and meets the ACT college readiness benchmarks scores equaling or exceeding 18 for English, 22 for Reading, 22 for Math, and 23 for Science.
5. Attend a university, college, or technical school accredited by the Higher Learning Commission of the North Central Association of Colleges and Schools and that provides instruction from a campus located in South Dakota.
6. Enter into the program within 5 years of high school graduation, or within 1 year of the student's release from active duty military service (if that release is within 5 years of the date of the student's high school graduation). Students seeking to transfer from a regionally accredited university, college, or technical school located outside of South Dakota may do so within two years following high school

graduation and be eligible to receive partial award.

House Bill 1198, enacted during the 2013 Legislative Session, allowed the Scholarship recipients who graduate within three years to keep the remainder of their scholarship award if they pursue graduate studies in South Dakota.

After a student establishes initial eligibility in the Opportunity Scholarship program, the student must maintain a cumulative 3.0 GPA on a 4.0 scale

as well as attempt and complete enough credit hours of instruction for the forthcoming year (30 credit hours for 3rd and 4th term funding, 60 credit hours for 5th and 6th term funding, and 90 credit hours for 7th and 8th term funding).

The following table lists the number of students with Opportunity Scholarships by University/Technical Institute.

South Dakota Opportunity Scholarship		
Fall 2014		
	# of Students New Fall 2014	Continuing Eligible Recipients from classes of 2011, 2012, & 2013
Augustana College	108	216
Black Hills State University	34	112
Colorado Technical University	0	0
Dakota State University	46	100
Dakota Wesleyan University	28	75
Lake Area Technical Institute	15	22
Mitchell Technical Institute	9	45
Mount Marty College	12	14
National American University	0	0
Northern State University	48	141
Presentation College	5	17
SD School of Mines and Technology	136	177
South Dakota State University	468	983
Southeast Technical Institute	9	15
University of Sioux Falls	272	606
University of South Dakota	29	97
Western Dakota Technical Institute	0	3
TOTAL	1,219	2,623

Dakota Corps Scholarships

In 2003, Governor Rounds announced a privately-funded Dakota Corps Scholarship Program to help prepare South Dakota students to fill critical-need occupations in the state. The Dakota Corps Scholarship Program is funded by private businesses, nonprofit corporations, the Governor's Office and the South Dakota Department of Labor. The scholarship provides full tuition and generally-applicable fees to selected qualified applicants in certain critical need occupations. The scholarship is available to both high school and college student

applicants. The following are the eligibility requirements:

- Graduate of accredited South Dakota high school;
- GPA of 2.8 or higher on 4.0 scale; 24 or higher ACT composite score;
- Has met South Dakota's minimum high school graduation requirements; and
- Agree in writing to stay in South Dakota and work in a "critical needs" area after graduation for as many years as scholarship was received, plus one year.

Among those that qualify, recipients are chosen based on GPA, test scores, activities, honors, community service, and a written essay. Not all eligible applicants are selected for a scholarship.

Critical need occupations for the 2013-2014 academic year included the following:

- Teaching K-12 special education in a public, private, or parochial school;
- Teaching high school math or science in a public, private, or parochial school;
- Teaching high school career and technical education in a public, private, or parochial school;
- Working as a Registered Nurse;
- Working as an Accountant/Auditor;
- Working as an Engineer (includes all fields EXCEPT mining); or
- Working in Information Technology.

If the recipient does not complete his/her commitment, the scholarship converts to a low interest loan which must be repaid.

Jump Start Scholarship

During the 2011 Legislative Session, the Legislature approved the creation of the Jump Start Scholarship program which provides a student who graduates from a public high school in three years or less with a scholarship. The funding for this scholarship comes from a portion of the money saved by the state in state aid to education funding pursuant to chapter 13-13. For the 2013-2014 academic year, students who finished high school in three years or less were eligible for a \$1,866.45 Jump Start Scholarship for the first year of college at a participating postsecondary institution in South Dakota.

To be eligible, a student must:

- Be a resident of South Dakota;
- Complete the requirements of the recommended high school program as established by the Board of Education, and be awarded a high school diploma by a public high school in three years or less;
- Have attended a public high school in South Dakota on a full-time basis for at

least two semesters prior to graduating; and

- Within one year of graduating from high school, enroll in a participating postsecondary institution located in South Dakota.

No student who enrolls in a high school for all or any part of a fourth year is eligible for the Jump Start Scholarship Program.

The amount of the scholarship is based on the state's portion of 75% of the current per student allocation (PSA). As noted earlier, that amount was \$1,866 for the 2013-2014 academic year.

Critical Teacher Needs and Needs Based Scholarships

During the 2013 Legislative Session, two new state scholarship programs were established, both with \$1.5 million in general fund 'seed money' invested in the state's Education Enhancement Trust Fund.

Critical Teaching Needs Scholarship

Senate Bill 233 created a 'critical needs' K-12 teaching scholarship, encouraging South Dakota high school graduates to stay in state for their teacher training, remain in the state after graduation, and work in a critical-need teaching area. The critical needs as determined by the secretary of education at the time of implementation were:

- Teaching K-12 special education in a public, private, or parochial school;
- Teaching high school math or science in a public, private, or parochial school; and
- Teaching high school career and technical education (in a public, private, or parochial school).

In order to be eligible for the critical needs scholarship, a student must:

- Agree to stay in South Dakota and work in a critical teaching needs area for five years after graduation from a participating postsecondary institution;
- Agree that failure to abide by the provisions above will result in the

scholarship being converted into an interest-bearing loan;

- Attend a participating South Dakota postsecondary institution as an undergraduate enrolled in the student's final two years of postsecondary education and be enrolled in an elementary or secondary education program at the institution that is preparing the student to work in a critical need teaching area; and
- Be a U.S. citizen or lawful permanent resident.

Eligibility for the critical teaching needs scholarship program includes:

- Maintain a cumulative GPA of 2.8 on a 4.0 scale. The student must complete consecutive fall and spring terms in order to remain eligible for the continuation of the scholarship; and
- Maintain full-time status, or demonstrate continued satisfactory progress toward degree completion within the scholarship funding period.

The amount of the scholarship is determined by calculating the student's remaining financial need, and may not exceed the tuition and generally applicable fees for thirty credit hours at a South Dakota public postsecondary institution as of July 1, 2014. The scholarship amount paid to a recipient attending a participating nonpublic postsecondary institution is equal to the amount paid to a recipient attending a public postsecondary institution.

Needs Based Scholarship

Senate Bill 237, the second program created by the 2013 Legislature, created a needs-based grant program for postsecondary students based on federal Pell Grant Program eligibility; participating postsecondary institutions must match the state funds on a 3-to-1 basis. The program allows participating institutions to offer awards of \$500 to \$2,000.

To implement this program, \$200,000 from the Education Enhancement Trust Fund distribution was transferred to the needs-based program in FY14. In the future, interest earned from a

one-time investment of \$1.5 million in state monies will be used to fund the grant program. It is estimated that the interest from this fund will provide \$60,000 worth of scholarship funding each year, and when matched by participating institutions, it will provide approximately \$240,000 in need based funding. Any contributions into the Education Enhancement Trust Fund not designated for any other purpose is also allocated to the need-based grant fund.

This grant program is administered by the Board of Regents and the state began offering this grant to qualified students in the 2013-2014 academic year.

Conclusion

The National Center for Public Policy and Higher Education published the *Measuring Up* report cards in 2008 and gave South Dakota an "F" in student affordability because we had no need-based scholarships. During the 2013 Legislative Session, the state created both the Critical Teaching Needs and Needs Based Scholarships to assist in making college more affordable for students.

This issue memorandum was written by Denice Houlette, Senior Fiscal Analyst on 10/24/2014 for the Legislative Research Council. It is designed to supply background information on the subject and is not a policy statement made by the Legislative Research Council.

Sources:

Issue Brief No. 6, South Dakota Board of Regents, November 13, 2003

Issue Brief No. 2, South Dakota Board of Regents, January 11, 2005

Issue Brief No. 2, South Dakota Board of Regents, January 2008

2012 Annual Report, South Dakota Opportunity Scholarship, South Dakota Board of Regents, Copyright 2012

Board of Regents Fact Book, Fiscal Year 2014, Board of Regents

www.SelectDakota.org

Other information obtained from the Board of Regents website: www.sdor.edu.